

Banks are deregulated excepting that interest rate on loans up to Rs. 2 lakh should not exceed their Benchmark Prime Lending Rate.

Check on black money

‡2946. SHRI PYARE LAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inspite of all the efforts Government are unable to check the black money;

(b) if not, the details of the efforts being made and achievements made by Government in this regard;

(c) Government's reaction on media report over bank accounts of Indians in Swiss Bank; and

(d) whether the Central Government would hold talk in the said respect with the Government of Switzerland?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and-(b) There are several underlying causes of black money generation, including various socio-economic factors, some of which are exogenous to the direct tax laws for combating tax evasion. However, the Income Tax Department takes several punitive and deterrent steps to control black money generation and to combat tax evasion, including scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. During the financial year 2005-06, seizure of assets valued at Rs. 3512.69 crore was made as a result of searches carried out by the Income Tax Department while surveys carried out during that year led to detection of tax evasion of Rs. 2324.57 crore. Further, enquires in cases involving large cash withdrawals from banks, under the Banking Cash Transaction Tax (BCTT), have led to detection of unaccounted income.

(c) and (d) No specific media report has been referred to in the Question. However, maintenance of bank accounts by Indians in foreign banks, including in Swiss Bank, is governed by the Foreign Exchange Management Act (FEMA), 1999 alongwith RBI regulations. Whenever any specific information regarding violation of law comes to the notice of the Government, appropriate action is taken.

‡Original notice of the question was received in Hindi.